Extension Service
West Virginia University

Disaster and Emergency Management Resources

Disasters and Federal Taxes

- Taxpayers whose home, business, or farm is damaged as a result of a Presidentially declared disaster can claim a casualty loss deduction on their Federal Income Tax returns.

- To file for casualty loss, you need to document:

➢ The nature of the disaster

➢ Date(s) of occurrence

➢ Description and list of property loss (photographs are helpful)

➢ Appraisals of property both before and after the disaster

➢ List of repairs and their cost

➢ Insurance and other reimbursements or compensation received or expected to be received

➢ Adjusted basis of property loss (adjusted basis is the cost of the property plus any capital improvements, minus depreciation already claimed)

- All donations and in-kind transfers, such as payments from the Federal Emergency Management Agency for rent, building supplies, and food donations, are considered to be gifts and are not taxable.

Adapted from resource material developed by the Illinois Extension Service entitled "After a Disaster"